

Foremost Group Fact Sheet

May 31, 2019

About Foremost Group

- Foremost Group is a privately-held, family-run American shipping company founded in 1964 and based in New York.
 - Founded by Dr. James S.C. Chao with his late wife, Mrs. Ruth Mulan Chu Chao.
 - Dr. Chao led Foremost from 1964 until his sixth daughter, Angela Chao, took over in 2018.
- Foremost's business is entirely in chartering ships to companies in the business of dry bulk shipping (i.e., shipping of unpackaged commodities such as grains, soybeans, iron ore, coal, and similar products).
- Foremost's clients are 10-20 of the world's leading charterers, including Bunge, Cargill, and Louis Dreyfus.
 - Foremost has only one Chinese charterer, accounting for a very small fraction of its business.
- Foremost does no business with the U.S. government and does not receive any U.S. government financing.
 - Foremost does not engage in U.S.-flagged shipping which would require U.S. government contracts and approvals and could be perceived to create conflicts of interest.

Foremost's Fleet & Financing

- Foremost manages a fleet of modern, environmentally-friendly ships, ordered as new ships built to its stringent specifications.
 - The average age of Foremost's fleet is five years or less.
- Foremost's fleet is approximately 0.1% of the 11,472 dry bulk carriers in operation today.¹
- From 2016-2018, Foremost had twice as many ships delivered from Japanese shipyards as from Chinese shipyards.
- Foremost's order book for new ships is split between shipyards in Japan and China, reflecting the industry as a whole.²
- Foremost's order book represents less than 2% of the 932 dry bulk carriers currently on order worldwide.³
- Foremost's Chinese orders represent only 2% of the 501 dry bulk carriers now being built in China.⁴
- Foremost has lending relationships with more than a dozen leading American, European and Taiwanese banks.
 - Foremost has no financing from Chinese commercial banks.
 - The financing received from the China Ex-Im Bank is only a small fraction of the company's overall financing.

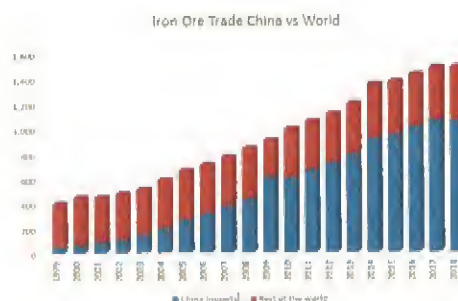
Background Information on Dry Bulk Shipping Industry

- There are currently 64,146 cargo ships in the world, of which 11,472 (17.9%) are dry bulk carriers.⁵
- 96% of dry bulk ships on order today are being built in China or Japan.⁶

Builder Countries	# of Vsl	% # of Vsl
China	501	54%
Japan	394	42%
Korea	29	3%
Taiwan	4	0.4%
Germany	2	0.2%
Netherlands	1	0.1%
Croatia	1	0.1%
Grand Total	932	100%

- Capesize ships (most of Foremost's fleet) largely carry cargoes of iron ore (76%), coal (21%), and alumina/bauxite (2%).⁷
- The cargoes and destinations are determined by Foremost's charterers, not by Foremost. The ports called and cargoes carried for Foremost's charterers reflect worldwide flows. For example, China received 71% of global iron ore shipments in 2018.⁸

Date	China Imports	Rest of the world	Worldwide Iron Ore Trade	China as % of World
1999	34	144	209	14%
2000	69	178	447	16%
2001	91	218	449	20%
2002	111	288	477	23%
2003	147	386	532	28%
2004	209	484	693	31%
2005	271	589	860	31%
2006	319	590	909	35%
2007	327	295	773	42%
2008	438	403	837	52%
2009	615	287	907	67%
2010	603	287	890	68%
2011	945	484	1,050	90%
2012	724	383	1,107	65%
2013	792	393	1,185	67%
2014	914	426	1,340	68%
2015	940	434	1,364	69%
2016	1,008	410	1,418	71%
2017	1,058	435	1,473	72%
2018	1,047	420	1,478	71%



¹ Clarkson's data as of 5/27/2019

² Clarkson's data as of 5/24/2019

³ Clarkson's data as of 5/24/2019

⁴ Clarkson's data as of 5/24/2019

⁵ Clarkson's data as of 5/27/2019

⁶ Clarkson's data as of 5/24/2019

⁷ Maersk Brokers 5/29/2019 citing AXS TradeFlow

⁸ Clarkson's data as of 5/20/2019